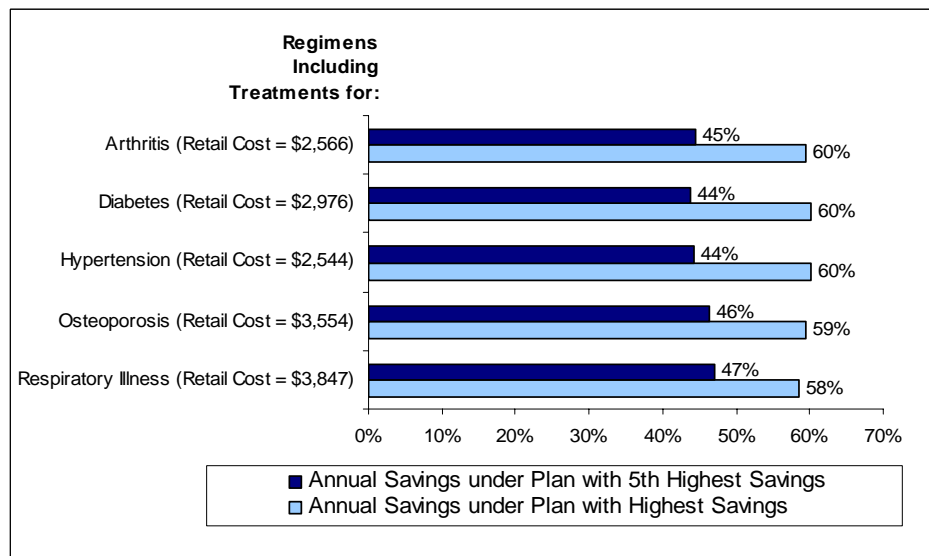


SAVINGS FOR MEDICARE BENEFICIARIES IN ARIZONA

Medicare beneficiaries in Arizona may choose among 43 Prescription Drug Plans (PDPs), with an average premium of \$34.74 ¹. An individual beneficiary's savings varies by plan, depending on the plan's design, cost-sharing requirements and the specific drugs covered on formulary.

- Medicare beneficiaries in Arizona without prior drug coverage may be able to save up to 60 percent in the plan with the highest savings, and can choose from five plans that offer savings of at least 44 percent.

Figure A. Typical Savings in Arizona for Medicare Beneficiaries without Prior Drug Coverage

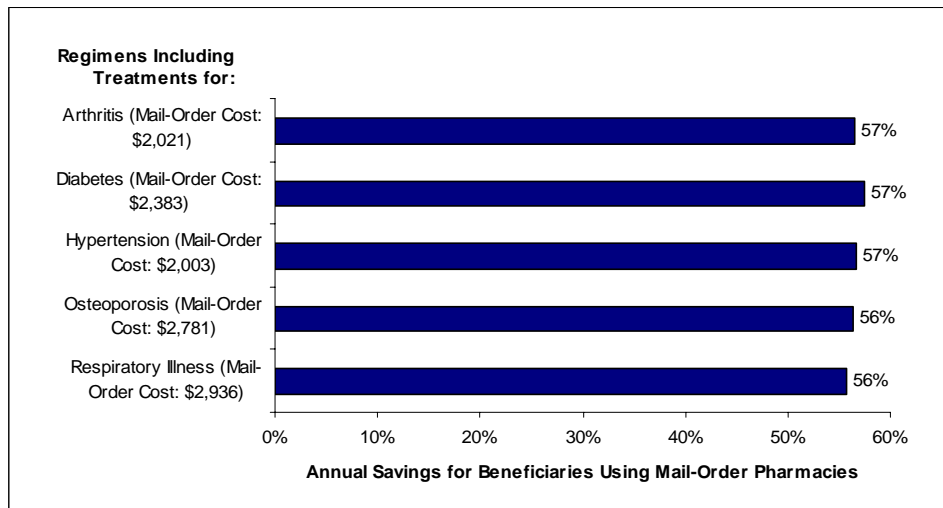


Source: The Lewin Group analysis of data from Medicare.gov. Represents the average savings for 60 scenarios including medications to treat the listed condition as well as the most commonly occurring co-morbidities. Savings are based on the difference between total out-of-pocket costs – including annual premium -- under the Medicare plan and costs of purchasing drugs at a retail pharmacy without drug coverage.

- Medicare Beneficiaries who use mail-order can save as much as 56 percent to 57 percent depending on the chronic condition, compared to purchasing through a mail order pharmacy without drug coverage.

¹ The average PDP premium in Arizona is \$34.74; the national average Part D premium for PDPs and MA-PDs is \$32.20.

Figure B. Typical Savings in Arizona for Beneficiaries Using Mail-Order Option of Lowest Cost PDP, Compared to Mail-Order Prices without Insurance



Source: The Lewin Group analysis of data from Medicare.gov. Represents the average savings for 60 scenarios including medications to treat the specific condition as well as the most common co-morbidities. Savings are based on the difference between total out-of-pocket costs – including annual premium -- under the Medicare plan and costs of purchasing drugs at a mail-order pharmacy without drug coverage.

Arthritis

Lewin calculated savings for 41 scenarios including arthritis medications. The scenarios range in annual retail price from \$132 to \$7,013 for an uninsured beneficiary; the average retail cost without insurance for a scenario in our sample is \$2,566.

- On average, Medicare beneficiaries with arthritis can save an average of more than \$1,529 (60%) by enrolling in the plan with the highest savings, compared to costs without insurance. Medicare beneficiaries who choose from among the 5 plans with the highest savings can save more than \$1,144 (45%). (See Figure A).
- In 22 of the 41 scenarios, Medicare beneficiaries with arthritis can save more than 60 percent by enrolling in the plan with highest savings. (See Appendix C).
- In 35 of the 41 scenarios, Medicare beneficiaries with arthritis can choose from among 5 or more plans with savings of more than 30 percent.

Diabetes

Lewin calculated savings for 18 scenarios including diabetes medications. The scenario ranged in annual retail price from \$513 to \$7,013 for an uninsured beneficiary; the average retail cost without insurance of a scenario in our sample is \$2,976.

- On average, Medicare beneficiaries with diabetes can save an average of more than \$1,787 (60%) by enrolling in the plan with the highest savings, compared to costs without insurance. Medicare beneficiaries who choose from among the 5 plans with the highest savings can save more than \$1,304 (44%). (See Figure A).
- In 12 of the 18 scenarios, Medicare beneficiaries with arthritis can save more than 60 percent by enrolling in the plan with highest savings. (See Appendix C).
- In 16 of the 18 scenarios analyzed, Medicare beneficiaries with diabetes can choose from among 5 or more plans with savings of more than 30 percent.

Hypertension

Lewin calculated savings for 42 scenarios including hypertension medications. The scenarios ranged in annual retail price from \$511 to \$7,013 for an uninsured beneficiary; the average retail cost without insurance of a scenario in our sample is \$2,544.

- On average, Medicare beneficiaries with hypertension can save an average of more than \$1,531 (60%) by enrolling in the plan with the highest savings, compared to costs without insurance. Medicare beneficiaries who choose from among the 5 plans with the highest savings will save more than \$1,123 (44%). (See Figure A).
- In 24 of the 42 scenarios, Medicare beneficiaries with arthritis can save more than 60 percent by enrolling in the plan with highest savings. (See Appendix C).
- In 36 of the 42 scenarios analyzed, Medicare beneficiaries with diabetes can choose from among 5 or more plans with savings of more than 30 percent.

Osteoporosis

Lewin priced 11 scenarios including osteoporosis medications. The scenarios ranged in annual retail price from \$1,686 to \$7,013 for an uninsured beneficiary; the average retail cost without insurance of a scenario in our sample is \$3,554.

- On average, Medicare beneficiaries with osteoporosis can save an average of more than \$2,110 (59%) by enrolling in the plan with the highest savings,

compared to costs without insurance. Medicare beneficiaries who choose from among the 5 plans with the highest savings will save more than \$1,646 (46%). (See Figure A).

- In 6 of the 11 scenarios, Medicare beneficiaries with arthritis can save more than 60 percent by enrolling in the plan with highest savings. (See Appendix C).
- In all of the 11 scenarios analyzed, Medicare beneficiaries with diabetes can choose from among 5 or more plans with savings of more than 30 percent.

Respiratory Illness

Lewin priced 11 scenarios including respiratory illness scenarios. The scenarios ranged in annual retail price from \$2,388 to \$5,501 for an uninsured beneficiary; the average retail cost without insurance of a scenario in our sample is \$3,827.

- On average, Medicare beneficiaries with respiratory illness can save an average of more than \$2,247 (58%) by enrolling in the plan with the highest savings, compared to costs without insurance. Medicare beneficiaries who choose from among the 5 plans with the highest savings will save more than \$1,808 (47%). (See Figure A).
- In 6 of the 11 scenarios, Medicare beneficiaries with arthritis can save more than 60 percent by enrolling in the plan with highest savings. (See Appendix C).
- In all of the 11 scenarios analyzed, Medicare beneficiaries with diabetes can choose from among 5 or more plans with savings of more than 30 percent.